



General Assembly

January Session, 2007

Committee Bill No. 6812

LCO No. 5544

* _____HB06812HEDFIN031307_____*

Referred to Committee on Higher Education and Employment
Advancement

Introduced by:
(HED)

***AN ACT ESTABLISHING A CONNECTICUT HIGHER EDUCATION
PERPETUAL TRUST FUND.***

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Subsection (c) of section 4-30a of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2007*):

4 (c) The Treasurer is authorized to invest all or any part of said fund
5 in accordance with the provisions of section 3-31a. The interest derived
6 from the investment of said fund shall be credited to the [General
7 Fund] Higher Education Perpetual Trust Fund established under
8 section 4 of this act.

9 Sec. 2. Section 3-27a of the general statutes is repealed and the
10 following is substituted in lieu thereof (*Effective July 1, 2007*):

11 There is hereby created a Short Term Investment Fund to be
12 administered by the State Treasurer. The State Treasurer may sell
13 participation certificates of the Short Term Investment Fund for

14 investment to the General Fund, bond funds, the Special
15 Transportation Fund, the Local Bridge Revolving Fund, the
16 Educational Excellence Trust Fund, the Residential Property Tax
17 Revaluation Relief Fund, the Higher Education Perpetual Trust Fund
18 established under section 4 of this act, the Municipal Abandoned
19 Vehicle Trust Fund, the Special Abandoned Property Fund, trust funds
20 administered by the Treasurer and all such other funds the moneys of
21 which by law the Treasurer is responsible for investing. Said
22 participation certificates shall bear and pay such interest and be issued
23 subject to such terms and conditions as shall be determined and
24 established by the State Treasurer. The interest derived from the
25 investment or reinvestment of funds of The University of Connecticut
26 Operating Fund and The University of Connecticut Health Center
27 Operating Fund, The University of Connecticut Research Foundation,
28 The University of Connecticut Health Center Research Foundation, the
29 Connecticut State University System Operating Fund, the Connecticut
30 State University System Research Foundation, and the Regional
31 Community-Technical Colleges Operating Fund, as authorized by
32 sections 10a-105, 10a-110a, 10a-130, 10a-99 and 10a-77, respectively,
33 and the Board for State Academic Awards educational services
34 account, as authorized by section 10a-143, shall be paid to each board
35 or board of trustees respectively.

36 Sec. 3. Section 3-27d of the general statutes is repealed and the
37 following is substituted in lieu thereof (*Effective July 1, 2007*):

38 The Treasurer is [also] authorized to invest and reinvest [such] the
39 funds of the Short Term Investment Fund in accordance with the
40 provisions of the general statutes relating to the investment of savings
41 banks, or in the United States government obligations, United States
42 agency obligations, United States postal service obligations, certificates
43 of deposit, commercial paper, corporate bonds, saving accounts and
44 bank acceptances, including in such investment or reinvestment the
45 sale or acquisition of securities or obligations, which the Treasurer is
46 authorized to sell or acquire for purposes of said Short Term

47 Investment Fund, subject to repurchase agreements in the manner in
 48 which such agreements are negotiated in sales of such securities or
 49 obligations in the marketplace. In making such investments, the
 50 Treasurer shall consider investments yielding the highest earnings that
 51 are consistent with the Treasurer's investment strategy.

52 Sec. 4. (NEW) (*Effective July 1, 2007*) (a) There is established a fund to
 53 be known as the "Higher Education Perpetual Trust Fund". Moneys
 54 deposited in the fund shall be held by the Treasurer separate and apart
 55 from all other moneys, funds and accounts. Investment earnings
 56 credited to the fund shall become part of the fund. Amounts in the
 57 fund shall be expended only pursuant to appropriations by the
 58 General Assembly and shall be in accordance with the provisions of
 59 subsection (b) of this section.

60 (b) For the fiscal year ending June 30, 2009, and each fiscal year
 61 thereafter, the General Assembly shall appropriate sixty-two and one-
 62 half per cent of the annual investment earnings credited to the Higher
 63 Education Perpetual Trust Fund to the Connecticut aid to public aid to
 64 college students grant program pursuant to subsections (a) and (c) of
 65 section 10a-164a of the general statutes. For any fiscal year in which
 66 there are no investment earnings credited to the fund or the amount of
 67 such investment earnings is not sufficient to cover the amount of the
 68 requested appropriation under subsections (a) and (c) of said section
 69 10a-164a, the General Assembly may appropriate investment earnings
 70 that were credited to the fund in any previous fiscal year.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007</i>	4-30a(c)
Sec. 2	<i>July 1, 2007</i>	3-27a
Sec. 3	<i>July 1, 2007</i>	3-27d
Sec. 4	<i>July 1, 2007</i>	New section

HED**Joint Favorable C/R****FIN**

